FOOD FOR THE HUNGRY INTERNATIONAL - KENYA

USAID PL-480 TITLE II
FY 2000, 2002-2003
COOPERATING SPONSOR
RESULTS REPORT AND RESOURCE REQUEST
(CSR4)

Submitted to:

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USAID/Kenya
&
BHR / Food for Peace
USAID/Washington, D.C.
March 1, 2001

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Table of Contents

I. RESULTS REPORT

FHI/K and the local USAID Mission are in agreement that the activities of the Marsabit Food Security Project must be modified in order to achieve the food security objectives of the DAP. We propose that grain storage activities be curtailed and that those financial resources be used to augment livestock production and initiate a more comprehensive approach to natural resource conservation - water, forest and grazing land. Under the Health Component, we plan to initiate HIV/AIDS activities. The LOA request from USAID is not impacted; we simply request a no-cost extension for FY2003. FHI will be increasing its contributions to MFSP. The Resource Request has an overview of the changes and modified indicators.

In the past four years since the consultations and writing of the current DAP (FY1998-2002), there has been decreasing reason for optimism. The most basic assumption, though only inferred, was that the carrying capacity of the Marsabit Mountain ecosystem had not been exceeded, and that technological interventions would mitigate the food security problems. A focus upon technological intervention alone is proving to be simplistic, and the activities of the current DAP are inadequate to address the complexity of the food security crisis. Nevertheless, the Child Health and Nutrition Component is proceeding well, and requires only minor change.

One specific assumption of the DAP was socio-political stability. Off-and-on instability in Sololo region associated with border conflicts between Ethiopia and Kenya has deterred implementation of food security activities there. In Marsabit, the conflicts are more sporadic and have been less serious, but are symptomatic of resource (pasture and water) pressures associated with livestock numbers exceeding the carrying capacity of the mountain. This conflict can be expected to and is currently growing.

An assumption of drought was correct, but the current droughts are unlike previous experiences. There is no feasible technology that will address the problem of so little rainfall that crops fail to germinate, as in March-May 2000. There was no expectation that so many of the livestock of the pastoralists in the lowlands would die, forcing more hungry families to move closer to Marsabit Mountain region to learn to farm, thereby increasing pressure on limited land and water resources. As well, there was no consideration for the resulting discouragement of farmers; hungry people are not well motivated to make long-term investment in tasks, such as soil conservation or carrying water for fruit tree establishment.

With the series of crop failures, progress on crop storage and marketing has not been noteworthy. Since the inception of this program, almost all harvested grain has been immediately consumed by the extended family, or sold to cover school, medical, or clothing costs. Furthermore, we have found that wide-spread knowledge of sound storage practice. A storage intervention is currently irrelevant and of low priority. These resources would be better spent on improved livestock production practices.

In the current DAP, plant diseases were assumed not to be a major limiting factor to food security. That has proven true, but insect pests certainly are. An armyworm outbreak in FY99 drastically reduced crop yields. In December 2000, an American bollworm outbreak destroyed the pulse crop, as well as reduced the maize yields in those few areas that had enough precipitation for a small harvest. Though farmers attempted to spray insecticide for the American bollworm, it was apparent that there is lack of understanding of pest identification, economic threshold, rate and timing of application and personal safety. For this reason, the current PAA includes a training component on pesticide use.

It was assumed that national and local governments would be effective partners in achieving food security. In fact, government ministries are so short of operating funds that they are both demoralized and financially unable to contribute significantly on a day-to-day basis in the field. They remain important advisors to implementation of the DAP.

It appears that there was an implicit assumption of considerable similarity among beneficiaries in adoption of various technologies. However, we have found that in some communities as many as 50% of the farmers are squatters with no assurance of land use from one growing season to the next. Very few farmers have title to the land that they farm, as the land area is "protected". Therefore, some "result indicator" targets, such as 80% adoption of natural resource management practices, are unrealistic. Neither the current land tenure system nor the recent history of crop production is conducive to achievement of yield and resource conservation targets.

Unfortunately, the extended drought (1998 –02) and its effect on food production affected the most vulnerable group, children <5 years of age. All measures of nutritional status showed a large increase in malnutrition over the one-year period, June 1999 to June 2000. This is our final impact indicator for both agriculture and health, and demonstrates the vulnerability of the population to drought. We need to modify program activities to address their food security needs.

A. ANNUAL RESULTS

Agriculture component

1. Seed distribution

Given that the past four seasons have resulted in crop failure and that Marsabit Food Security Project (MFSP) is focused upon introducing drought-tolerant crops (sorghum and cowpea), seed was distributed to farmers in both seasons. In the long rains of Oct-Nov 1999, there were 4,300 beneficiaries, and in the short rains of March-April 2000, 4,000 farmers received seed. All distributed seed was of varieties recommended by the Kenya Agricultural Research Institute (KARI), and most of it was purchased from their seed multiplication program. Attempts to purchase locally multiplied sorghum that we had introduced in October 1999 were generally thwarted, as farmers wished to retain that sorghum for their own planting; they are beginning to recognize it as a more reliable crop than maize. The target has been EXCEEDED simply because of the absolute need for seed, as

practically no one had seed of the drought-tolerant crops being promoted. During the remaining LOA, we do not anticipate such large distributions of seed.

2. Beneficiary training

Despite the failed growing seasons group, training of beneficiaries has remained an important component of this project. The capacity to achieve food security has been increased. The target has been EXCEEDED, since one-on-one farm visits have been a less emphasized with drought and crop failures.

-Demo Farm field days: 15 - Participants: 433
-Farmer exchange visits: 3 - Participants: 52
-Leaders' training: 1
-Demo Farm trainees: 33
-On-farm demonstrations: 27 - Participants: 935

3. Off-station plots (Crop Adaptation Centers): 27

The 27 off-station plots are SUPPLEMENTARY to the DAP. There is no way of recording visits to these off-station demonstration plots.

4. New farmers

In October to November 1999 and again in February to April 2000, a total of 440 farmers benefited from MFSP plowing up to 0.5 acre for them; in most cases, these were households with less than 0.25 acre cultivated and were those identified by village elders as particularly needy. In addition, they benefited from intensified focus by our extension officers and from seed of drought-tolerant crops. This activity is SUPPLEMENTARY to the DAP, but there is no plan for introducing more immigrants to farming.

5. Farmer training curriculum

Consultants engaged by FHI visited MFSP in December 1999. Their criticism included the need to develop more-detailed lesson plans for training farmers. A consultant from PREMESE-Africa, a Kenya-based community training organization, was engaged to assist agriculture staff develop the curriculum.

6. Staff Training

The following training was provided to health and agriculture staff and partner agencies:

- Institutional Support Assistance (ISA) - Extension Methods and Methodologies (20 MFSP)
- Training of Facilitators (17 MFSP, 9 Government of Kenya staff)
- Distance learning - Diploma in Community Development (7 MFSP)
- Management of CBO's (1 MFSP)
- Participatory Rural Appraisal (2 MFSP)
- Project Management (2 MFSP).

7. Agronomic practice survey

During December 1999, a follow-up to the Baseline Survey was conducted on a sub-set of the original respondents to verify purported practices. Deviations from purported practices were logical and easily understood. This activity was SUPPLEMENTARY.

8. Farmer Census

The agricultural census conducted by MFSP and the number of farmers receiving seed this past season (Oct/Nov) indicates that there are close to 5,000 farmers within our area of operation and greatly exceeds the GoK estimate of 3,500 potential beneficiaries. This activity was SUPPLEMENTARY.

9. Achievement of Indicators

Activity indicators associated with training were mainly dependent upon MFSP staff initiation and were generally MET or EXCEEDED. However, the effect indicator, "Percentage of households that have adopted improved agricultural practices" is met only if one considers that most farmers planted drought-tolerant crops on time. We must consider the indicator to be NOT MET, primarily as a result of repeated crop failure and associated lack of energy and enthusiasm for other improved agricultural practices. As noted above, the crop storage indicator is NOT MET due to zero harvests over the past four seasons.

APPENDIX D: INDICATOR PERFORMANCE TRACKING TABLE (revised)

Agriculture Indicators	Base-Line	FY99 Target	FY99 Ach'd	1999 % Ach'd v Target	FY00 Target	FY00 Ach'd	2000 % Ach'd v Target	FY01 Target	FY01 Ach'd	2001 % Ach'd v Target	FY02 Target	FY02 Ach'd	2002 % Ach'd v Target	FY03 Target	LOA Target
Final Impact Indicators															
1. Decrease child malnutrition															Decrease
1.% of children 2-5 years with ht for age Z score < -2.0	40%							36%						32%	by 20%
1.2% of children 24-35 mo with ht for age Z-score<2.0	45%							38%						32%	
1.3 Average ht-for-age Z-score of children 2-5 yrs.	-1.5							-1.35						-1.2	
* 2.1 Average total "long rain" production of cereals on beneficiary farm households (per household)	0.45 MT							0.9MT						1.8 MT	Increase by 300%
* 2.2 Proportion of foods on beneficiary farms produced from drought-tolerant food kinds	6%							15%						25%	Increase to 25%
3. Average amount of post-harvest grain provision in beneficiary h.holds															Increase to 6 mo.
*3.1 Cereal	2 mo.							4 mo.						6 mo.	
*3.2 Pulse	1 mo.							2 mo.						3 mo.	
Intermediate Impact Indicators															Increase by:
1Average seasonal yield of the following:															
1.1 maize (MT/HA)	.55*	1.11	(a)	(a)	1.48	(a)	(a)	1.66			1.75			1.85	300%
1.2 beans (MT/HA)	.22*	.20	(a)	(a)	.25	(a)	(a)	.30			.33			.35	60%
1.3 sorghum (MT/HA)	.3 (est)	.60	(a)	(a)	0.75	(a)	(a)	0.90			1.05			1.20	300%
1.4 cow pea / pigeon pea (MT/HA)	.15 est)	.20	(a)	(a)	.25	(a)	(a)	.30			.33			.33	120%
2.1 Percentage of cultivated hectares on beneficiary farms with improved agricultural practices	18%	25%	18% (b)	(b)				30%						60%	60% of hect.
2.2 Percentage of beneficiary farms on which natural resource management practices are used	28%	25%	28% (b)	(b)	45%	No Data		60%			70%			80%	80% of hect.
Effect Indicators															
1.1 Percentage of households that have adopted improved agricultural practices	18%				30%	>27%	>90%	40%			60%			80%	80% of h.holds
1.2 Number of non-beneficiaries replicating improved practices via farmer to farmer communication & training	NA	250	>520 (c)	208%	250	930 440 (c)	372%	250			250			250	1250 total
Output Indicators															
1.1 Number of beneficiaries trained by MFSP staff and leader farmers in the use of improved practices	NA	400	>1130	282%	500	1087	217%	550			550			500	2500 total
1.2 Number of farmers trained in improved practices at the demonstration farms	NA	120	54 (d)	45%	120	33 (d) 653 (f)	27%	120			120			120	600 total
* 1.3 Number of women farmers trained in raising and utilizing drought-tolerant crops for feeding their family	<1	60	210	350%	60	124	207%	60			60			60	300 total
2.1 Centers for Demonstration & Training constructed	NA	2	10 (e)	(e)	0	17 (e)	(e)	0			0			0	2 centers
2.2 Number of family gardens established	NA	75	92	122%	100	15	15%	100			75			50	400 total
2.3 Number of improved grain silos constructed	NA	75	0 (a)	(a)	100	0 (a)	(a)	100			75			50	400 total
3.1 45 MT of drought-tolerant seeds will be provided to beneficiary farmers	NA	9 MT	33.1 MT	368%	9 MT	20.1 MT	223%	9 MT			9 MT			9 MT	45 MT total

*Baseline yields data from July 1998 gathered in May 1999

(a) Median yields were nil (no quantitative data collected and no need for improved silos)
(b) 1999 data is same as baseline
(c) Only new farmers recorded
(d) Season-long trainees only
(e) Refers to Crop Adaptation Centers (off-station plots) added each year; total of 27 in FY2000.
(f) Field days and training at Crop Adaptation Center

Child Health and Nutrition Component

No indicator table is presented, as there are no identified targets for FY2000.

1. Development of training curriculum for Community Health Workers

A training manual for the 2nd phase community health workers was completed. Other topics, such as First Aid, HIV/AIDS and drug management, were included.

2. Anthropomentric survey

This survey was conducted in June 2000. Samples of 220 children under five years of age were selected for this survey through systematic sampling procedures. The result of this survey was used to gauge the level of malnutrition in the project area as well as ascertain the general malnutrition trend, and to determine the need for CSB. Another assessment conducted was for the mentally handicapped children both in and out of school in order to devise a strategy to give them better support in terms of health needs, particularly nutrition and other physical need. This helped us understand gaps in caring for them.

Anthropomentric Survey for children 2-5 years of age in Marsabit Central Division (June 1999 vs. June 2000)

	June 1999		June 2000	
INDICATOR	**Number**	**Percent**	**Number**	**Percent**
Wasting – Moderate & Severe (Weight for Height Z-score < -2.0)	**18**	**10.1% (6.3-15.7)**	**17 (denom=125)**	**13.6% (6.6 - 25.2)**
Wasting – Severe Only (Weight for Height Z-score < -3.0)	**1**	**0.6% (0.0-3.6)**	**3**	**2.4% (0.3 - 10.9)**
Underweight – Moderate & Severe (Weight for Age Z-score < -2.0)	**59**	**32.8% (26.1-40.2)**	**61**	**48.8% (36.0 - 61.7)**
Underweight – Severe Only (Weight for Age Z-score < -3.0)	**15**	**8.3% (4.9-13.6)**	**19**	**15.2% (7.8 – 27.0)**
Stunting – Moderate & Severe (Height for Age Z-score < -2.0)	**56**	**31.6% (25.0-39.1)**	**52**	**41.6% (29.5 – 54.7)**
Stunting – Severe Only (Height for Age Z-score < -3.0	**14**	**7.9% (4.6 – 13.2)**	**27**	**21.6% (12.6 – 34.2)**

From the survey, it is clear that all indicators show a fall in nutritional status of the 2-5 year old population in our project area. However, none of the differences in indicators between June 1999 and June 2000 are statistically significant. Given the small overlap of confidence intervals, the differences in severe stunting (0.6 overlap, 14 point change) and moderate/severe underweight (4.2 overlap, 16 point change) are the ones most likely to have worsened.
Also of note is that the stunting level (moderate and severe- Height –for-Age Z-score <-2) is high in this community during both the June 1999 and June 2000 anthropometric surveys. But severe stunting (Z-score <-3) worsened in 2000 (21.6%) than 1999 (7.9%). This could mainly be attributed to the effect of prolonged drought, which worsened in 2000, forcing many families to turn to relief food for daily ration

3. **Cross visit Among Community Leaders**

   Community health workers, village health committees, contact mothers and school children involved in child-to-child activities visited counterparts in other zones within the project area. This provided a good forum for interaction and education, since most of them are from different cultures and background. The cross visit has enabled them to share their experiences.

4. **Beneficiary training - Community Health Workers Training**

   The second phase of the community health workers training was successfully completed in all the seven zones of operation. A total of 95 community health workers received the training. Training was also conducted for 18 teachers.

5. **Distribution of Corn Soybean flour (CSB)**

   As per the request made earlier on 96 metric tons of corn-soybean flour was received in June 2000 from USAID. This was precipitated by the prolonged drought that led to a tremendous increase in malnutrition level. Subsequently, a blanket feeding for 6127 children under five years of age was conducted.

6. **Vitamin A field day**

   Eight vitamin A demonstration and education field days were held. Two of these field days were held within community centers at the growth monitoring posts and the remaining six within the primary schools. During these field days, demonstrations of Vitamin A-rich foods were also conducted. The pupils, contact mothers and the community health workers passed Vitamin A promotion messages through songs, poem and drama.

7. **De-worming**

   A total of 6,175 de-worming were done for children between the ages of 2-5 years. A further 3,085 school going children between 6-9 years were de-wormed on term-basis during three school terms. Diseases that were prominent in school children and infants were ringworm, malaria and abdominal discomfort, such as diarrhea.

8. **Staff training**

   Training specifically related to health was as follows: Child-to-Child (1 MFSP, 1 Headmaster), Participatory Monitoring and Evaluation (2 MFSP), Workshop on Epi Info 6.04 package for questionnaire design, survey design, and data analysis (2 MFSP), and Participatory Community Development and Leadership Skills (1 MFSP).

9. **Growth monitoring posts established**

   Six growth-monitoring posts were constructed at sites without adequate facilities for training mothers, weighing and treating children.

10. Latrine construction

For each of the Growth Monitoring Posts built, one latrine was constructed. In addition, two latrines were constructed at Badasa primary school and another at Songa dispensary. This added the number of latrines constructed in the year to nine in total.

B. Monitoring & Evaluation, Audits, and Studies

- **Conduct internal evaluation**

In December 1999, FHI consultants did an internal evaluation of our agriculture and health messages and delivery. In response, more detailed lesson plans for both agriculture and health were developed.

- **Training in Monitoring & Evaluation**

All agriculture and health staff attended a one-week Title II Institutional Support Assistance (ISA) Workshop about "Food Security Education Methods and Messages".

- **Zonal teams**

The seven Zonal Teams remain an effective evaluation and accountability tool, since all stakeholders are invited to participate, and the MFSP staff tell what they plan to do over the next quarter. Furthermore, there is a representative from each Zonal Team who is a member of the Country Director's Community Advisory Committee.

- **Mid-term evaluation**

This is planned for July-August 2001, which is mid-term of the activities, and which is after the next possible "reasonable" growing season and harvest. The current harvest will be minimal; many areas have not been planted, and in planted areas, most crops have wilted from moisture stress. Less than 10% of the farmers can be expected to harvest beans, and almost none will harvest maize.

- **Final impact indicators**

Final impact indicators related to levels of stunting, wasting and underweight in children less than 5 will be assessed through semi-annual anthropometric “mini-studies.” These will be done on a random sample of approximately 10% of the target population.

- **Quality control**

Progress toward targets of most indicators is assessed through ongoing monitoring of internal documents provided by Extension Officers, Agricultural Officers, and Community Health Promoters. TWO M&E specialists compile data. Monitoring of the performance of both paid (Community Health Promoters) and volunteer (Community Health Workers) heath workers is conducted through the use of quality improvement checklists. Monitoring of performance of demonstration farm trainees is accomplished through follow-up visits to their farms to verify whether or not they have adopted the technologies that they have been trained in.

C. Expenditure Report (Appendix A attached)

D. Monetization Sales

1. Analysis of Monetization Transaction(s) in FY00

Cost Recovery Benchmark (established at the time of the call forward):

Commodity: **CDSO** **(Crude Degummed Soybean Oil)**	Call fwd 1 (Feb 7, 00)	Call fwd 2 (May 5, 00)	Call fwd 3 (Aug. 4, 00)	Total or Weighed Avg.
1. Tonnage called forward for monetization (MT)	3,000	6,000	6,680	15,680
2. FFP estimated FAS cost (total $) (Line 1 X Line 3)	$1,110,000	$2,550,000	$2,338,000	$5,998,000
3. FFP estimated FAS price ($/MT)	$370	$425	$350	$382.53
4. Freight estimate (foreign flag)* ($)	$141,000	$420,000	$467,600	$1,028,600
5. C&F total cost est. using foreign flag ($) [(Line 1 X Line 3)+Line 4]	$1,251,000	$2,970,000	$2,805,600	$7,026,600
6. C&F cost est. using foreign flag ($/MT) (Line 5/Line 1)	$417	$495	$420	$448.13
7. 80% of C&F cost estimate above ($/MT) (80% of Line 6)	$336	$396	$336	$358.50
8. Cost recovery benchmark price ($/MT) (Line 6 or 3, which ever is greater)	$370	$425	$350	$382.53
9. Anticipated sales price ($/MT)	**$370**	**$459.65**	**$350**	**$395.78**

Note: Use exchange rate applicable at time of estimate, FAS = Free along side, C&F = Commodity & Freight

Actual Cost Recovery:

Commodity: **CDSO** **(Crude Degummed Soybean Oil)**	Sale 1 (6/13/00)	Sale 2 (8/22/00)	Sale 3 (date)	Total or Weighted Avg.
1. Tonnage (MT):	2,991.88	5,991.54	N/A	8,983
2. Exchange rate[1] (applicable when seller paid)	78.50	77.12	N/A	77.58
3. Actual commodity cost as shown on bill of lading ($)	$825,000.00	$1,556,100.00	N/A	$2,381,100.00
4. Actual shipping cost as shown on bill of lading ($)	$285,000.00	$474,000.00	N/A	$759,000.00
5. Note whether US/foreign flag vessel (US/FFP)	FFP	FFP	N/A	N/A
6. Lowest valid foreign flag freight* ($)	$141,000.00	$420,000.00	$467,600	$1,028,600
7. Actual sales price ($/MT) – Inclusive of CIK	$409.46	$410.12	N/A	409.90
7. (a) Actual Cash received ($/MT) – Exclusive o f CIK	**$327.57**	**$333.43**	**N/A**	**331.48**
7. (b) GOK's Contribution in Kind = Duties & Taxes ($/MT	$81.89	$76.69	N/A	78.42
8. Total proceeds at actual sales price ($) – Inclusive of CIK	$1,225,067.42	$2,457,275.21	N/A	$3,682,342.63
8. (a) Total Cash Received ($) – Exclusive of CIK	$980,053.94	$1,997,784.72	N/A	$2,977,838.66
9. Local cost of monetization (transaction costs) ($)	$0.00	$15,597.47	N/A	$15,597.47
10. Net proceeds (total proceeds-transaction costs) ($) (Line 8 – Line 9)	$980,053.94	$1,982,187.25	N/A	$2,962,241.18
11. Net proceeds / FF shipping ** [(Line 10/Line 6 + Line 4)*100]	101.45	100.31	N/A	100.69
12. Net proceeds/actual shipping *** [(Line 10/(Line 3+ Line 4)*100]	**88.29**	**97.64**	**N/A**	**94.53**

** Obtain lowest valid foreign flag freight estimate from CS tender document and analysis of bids*
*** Actual cost recovery against benchmark shipping = net proceeds/(actual FOB value per bill of lading +foreign flag freight estimate)*
**** Actual cost recovery against actual shipping = net proceeds/(actual C&F value per bill of lading)*

Benchmark Recovery

The difference between the actual sales prices and the anticipated sales price was occasioned by fluctuation of the exchange rate as explained by the table below.

Date of CF	Value Ksh./MT	Exchange rate	Value in US $/MT (a)	Date of Sale/Arrival	Exchange rate	Value in US $/MT (b)	Difference (a-b)
7-Feb-00	25,715.00	69.50	370.00	6/13/00	78.50	327.57	**42.43**
5-May-00	32,658.00	71.05	459.65	8/22/00	77.12	423.46	**36.19**
4-Aug-00	24,850.00	71.00	350.00	N/A	N/A	N/A	**N/A**

In addition to the loss attributable to fluctuations of the exchange rate, the high actual shipping rates used (line 4 above) contributed in the program not achieving a 100% benchmark recovery. The second shipment (call forward 2) arrived earlier than expected and the buyer rejected it forcing the program to pay storage for it amounting to US$15,597.47 further affecting benchmark recovery.

[1] Exchange rates used for each shipment were determined by Kenya Revenue Authority (KRA) at the time of Pre-Shipment Inspection and are reflected in Custom's Clean Report of Findings.

Implementation Problems

The commodity chosen for monetization in FY00, crude degummed soybean oil has only two capable buyers in Kenya. Efforts to attract other buyers have been unsuccessful.

The transaction also experienced problems with the delay in the approval of monetization calls forward. Approval of the first call forward placed on Nov. 2, 1999 was deferred to April 2000, forcing the buyer to cancel the sale agreement. This weakened the cooperating sponsor's bargaining position resulting in lower prices. This delay also created a negative image to the buyer about the overall reliability of the Title II program. The delay also resulted in interruptions of project activities, as the monetization proceeds were not realized until the third quarter of FY00.

Lessons Learned

The experience of monetizing CDSO in Kenya has proved difficult and undependable. The monetization of HRW wheat continues to attract buyers and wheat transactions are unlikely to suffer major delays. The current food shortage in the country will make wheat a more attractive commodity. Besides, because of the higher demand for wheat, it is possible that the project will realize monetization proceeds early in FY01 to avoid interruptions in program implementation.

2. Monetization Results

Refer to the actual expenditure-reporting budget as an explanation as to how the monetization proceeds were used.

Effects on Local, Regional or National Production, and Marketing of the Monetized Commodity or its Substitutes:

Out of the 15,680 MT of CDSO sold in FY00, only 9,000 MT have arrived and the balance of 6,680 MT is expected to arrive in January 2001. The CDSO imported for monetization this year had minimal impact on the local production and marketing. This is because there is a persistent deficit of edible oils in Kenya and the region in general mainly due to local production being (less than 5% of national requirement) and the lack of a national strategic reserve. The private sector, through imports, is the major player in the market.

The imported commodity was sold to a processor at a competitive (ex-ship) price. Thereafter, the CDSO smoothly entered the already existing market channel right down to the consumer without causing any marketing disruptions. The buyer processed the commodity and released it to the market in small lots thus mitigating any would be negative effects on the market.

The shortfall between supply and demand of vegetable oil is estimated to be at least 20,000 metric tones annually. Kenya relies on imports for more than 95% of its consumption of edible oil, whose national requirement is now nearly 300,000 MT per annum. The amount of CDSO imported in FY00 was less than 5% of the national

requirement thus the market, both at the supply and consumption ends of the industry, was neither impacted nor destabilized.

In Kenya, nearly 3.3 million people are now estimated to be in need of urgent food assistance. Pastoralists are of particular concern as they are faced with the fourth consecutive failure of the rainy season. The current drought has aggravated an already severe scarcity of water and pasture and resulted in large livestock losses. Starvation-related deaths, particularly among children, are being reported. The long rains cropping season (March-May), which normally accounts for 80 percent of total annual food production, has failed due to a severe drought[2]. Unfortunately the imported monetization commodity being a reserve of urban population and the rich has had no impact in alleviating the food shortage.

With the limited production of vegetable oils in Kenya, the commodity can be imported at any time of the year without disrupting local production. Nevertheless, the Kenyan vegetable oil market is very responsive to the international oil market. For example, the fluctuation in prices of soybean oil in the US market pushed the price of oil in Kenya down wards from $370 in February to $350 in August 2000.

To ensure that the value of monetized proceeds is maintained, the program negotiates sales agreements in Kenya shillings and payments are made in the same currency. The lead agency, as well as each CS member of the monetization consortium maintains an interest earning account in which the proceeds are deposited.

II. RESOURCE REQUEST

A. PROGRAM REQUEST SUMMARIES

FY Summary Request Table (FY02)

Program Component	Approved DP Level (MT) for FY 2002	Resource Request Level (MT) for FY 2002	Approved DP 202e ($) for FY 2002	Resource Request 202e ($) for FY 2002	Monet. ($) from comprehensive budget 2002	Non-FFP contri'bt ($) from comp budget	Expected Request 202e ($) for FY 2003
Agriculture	3,106	2,922	128,840	121,819	569,569	122,491	N/A
Health	1,916	1,818	0	0	354,431	76,224	N/A
TOTAL	**5,022**	**4,740**	**128,840**	**121,819**	**924,000**	**198,715**	**N/A**

Note: No resource request in FY03. Instead, a no-cost extension is being requested

The original DAP was for FY1998 through FY2002, but the Marsabit Food Security Project was not initiated until FY1999. We have achieved considerable success in achieving Child Health and Nutrition objectives of this DAP, but due to drought, we have had little measurable impact under the Agriculture Component. *Therefore, we request the opportunity to modify our activities, as outlined below, in order to contribute significantly to food security objectives. In order to have an adequate period to make an impact from the modified Agriculture Component and in order to complete the Health Component of the DAP, we request a "no cost" extension for FY2003. No DAP amendment is requested.*

FHI/K has had bilateral discussions with other agencies, held focus groups, consulted our Zonal Teams and Community Advisory Committee, and reviewed PRA reports conducted by others in order to identify higher priority activities for the Agriculture Component. In addition, we hosted a two-day workshop including international donor, technical, and implementing partners met with community members to develop strategies to address food security and environmental issues. The priorities are water supply for domestic and livestock use, livestock improvement and marketing, water harvesting and production of drought-tolerant crops, and forest conservation and re-forestation. During FY2002 and FY2003, we can make a significant contribution to some of these by re-focusing our resources, and developing an improved food security strategy that can be implemented beginning in FY2004 for both Marsabit and Moyale Districts.

Agriculture Component

We expect to positively impact food security through a short-term refocusing that is in keeping with a long-term strategy to achieve food security within the environmental capacity of both Marsabit mountain and the lowland ecosystems. The focus in activities will be as follows:

1) Communities will be mobilized to implement resource use strategies which contribute to long-term food security of the target area

- Conduct studies of the Marsabit Mountain watershed to determine the capacity of the natural resource base to address food insecurity.
- Engage the communities (Marsabit County Council, village, school, church and household), using participatory approaches, to develop strategies to address the environmental crisis of Marsabit Mountain, and support implementation.

- Develop and implement "land use plans" at county, community and household levels and which correspond to optimal use of natural resources for food production.

- Promote the adoption of wood-conserving stoves to conserve forest and to reduce workload of women.

- Emphasize improved management of grazing resources for food security and resource conservation, particularly in the higher-risk, lower-rainfall zone of Marsabit Mountain.

- Conduct Environmental Assessments on livestock and water development proposals to be incorporated in the new DAP beginning in FY2004.

2) Livestock production and crop management strategies that reduce risk of food insecurity will be adopted.
   - Liaise with UNEP and CRSP scientists to determine environmentally- and economically sound strategies for livestock production in Marsabit and Moyale Districts.

   - Lead stakeholders in development of a plan for an improved livestock marketing system. (This includes sales, banking, and re-stocking.)

   - Support production of higher-quality livestock through improved husbandry, grazing management, and marketing practices.

   - Train beneficiaries in semi-intensive livestock and poultry production, and support improved management to increase milk and egg production.

   - Train beneficiaries in production of feed from cultivated forage and multi-purpose trees, and provide seeds and seedlings.

   - Continue to promote the production and utilization of drought-tolerant crops to increase the proportion of food energy produced from drought-tolerant crops and increases the number of households utilizing these crops.

   - Train and assist beneficiary farmers to employ a water-conserving cropping system (timely planting, early weeding and water harvesting.

The Indicator Table for FY02-03 is modified, as shown below, to reflect these activities.

AGRICULTURE COMPONENT - INDICATOR PERFORMANCE TRACKING TABLE (Modified for FY2002 and FY2003)

Agriculture Indicators	Base-line	FY2002 Target	FY2002 Achieved	FY2002 Achieved vs Target (%)	FY 2003 Target	FY2003 Achieved	FY2003 Achieved vs Target (%)	LOA Target
FINAL								
1. Decrease child malnutrition 1.1 % of children 2-5 years with ht for age Z score < -2.0 1.2 % of children 24-35 mo with ht for age Z-score<2.0 1.3 Average ht-for-age Z-score of children 2-5 yrs.	 40% (a) 45% (a) -1.5 (a)				 32% 32%			 Decrease by 20%
INTERMEDIATE								
2. Average amount of post-harvest grain provision in beneficiary households - Cereal - Pulse	2 mo. (a) 1 mo. (a)				6 mo. 3 mo.			Increase to one season reserve
3. HH value of livestock and crop products produced (consumed and marketed)	(b)							
4. Consumption of milk and eggs by children in HH with these livestock	(b)							
EFFECT								
5. Number of new HH using wood-conserving stoves	(b)	200			300			500 HH
6. Number of farms with natural resource management practices initiated (water harvesting, soil conservation structures, and/or agro-forestry practices) in accordance with farm plan	0	50			150			200 models in target area
7. Proportion of foods on beneficiary farms produced from drought-tolerant food kinds	6% (a)				25%			Quadruple
8. Percent adoption of improved agricultural practices (water efficient system – drought-tolerant crops, timely planting, and adequate weeding) by farmers	18% (a)				35%			Double water use efficiency
9. Percent of livestock owners adopting an improved management practice (tick control, culling of animals, de-worming, etc.)	10% (est)				30%			Triple
10. Number of new EMC's initiating a resource conservation project and/or applying by-laws for resource management	0	3			6			half of EMC's active
11. Number of FHI-sponsored children living in a household adopting a resource conservation practice and producing a DTC.	10% (est)				30%			Increase by 200%
OUTPUT								
12. Percentage of farmers aware of a practice for each of the following: conserve soil, use water efficiently, and maintain forest resources	5% (est)				50%			Half of farmers aware
13. Number of demonstration farms interns and contact farmers able to communicate training information to other farmers.		72+24 (M+F)			72+24 (M+F)			192 additional
14. Amount of seeds and planting materials of drought-tolerant crops distributed		5 MT + 1000			5 MT + 1000			10 MT +2000 cuttings
15. Number able to prepare drought-tolerant crops for feeding the family		420/420(M/F)			420/420(M/F)			1680 trained
16. Number of HH with FHI-sponsored children understanding the need for resource conservation and importance of DTC's	5% (est)	25%			50%			Ten fold
17. Number of CBAHW's trained to treat animal diseases and operational in community	(b)	20			20			20 active CBAHW
18. Number of livestock management groups established and (herders knowledgeable of key components of sound husbandry)	(b)	10 (200)			10 (200)			20 active groups (400 trained)
19. Number of households receiving supporting services for improved production of small livestock (dairy goats, poultry, bee-keeping).	(b)	70			70			140 total
20. Number of community leaders and teachers mobilized to conserve natural resources		50			50			50 trained
21. Number of children actively participating in environment and health clubs	(b)	170			230			400 participants
22. Number participating in fuel-efficient stove construction and understanding benefits	(b)	250+500 (M+F)			250+500 (M+F)			1500 trained
24. Conduct studies of capacity of land and water resources to sustain livestock and crop production in Marsabit and Moyale Districts.		1			3			4 documents
25. Number of new EMC's established and developing a resource conservation plan	5	7			7			14 new groups
26. Number of contact farmers, and trainees that have developed a resource use plan for their farm	5% (est)	50%			100%			All
27. Number non-beneficiaries (follower farmers) trained in improved agronomic (soil conservation and water harvesting) practices	25%	40%			75%			Triple

Footnotes : * Male and female (M/F) are disaggregated to ensure gender sensitivity

(a) Baseline from FY1999, but grain yield data from July 1998 gathered in May 1999

(b) Most baseline data for the modified indicators will be determined from Mid-term Review of July 2001.

Child Health and Nutrition Component

In the child health and nutrition component, we propose broadening the scope of our interventions, primarily with increased contributions from FHI/K. The key additions are as follows:

- Include resource conservation training of teachers and children in the School Health activities.

- Integrate the FHI/K child-sponsorship program (Child Development Program of FHI/K) into food security, resource conservation, and health and nutrition training and monitoring of behavior change in the households of sponsored children.

- Initiate HIV/AIDS interventions focusing upon behavior change in "at risk" groups – local youth, expectant mothers, and commercial sex workers.

Our confidence in being able to achieve these food security objectives is based on the following assets.

- well-trained, highly-motivated staff, committed to addressing food security and resource issues

- village-based professionals with close working relationships with communities and the community's trust in FHI/K interventions

- growing and widespread recognition by elders of the urgency to manage resources better

- a network of trained beneficiaries who facilitate dissemination of messages; a general commitment among partner agencies for a new-level of collaboration to meet the broader goals of resource conservation and food security

- adequate capital and operational resources provided by USAID and FHI.

LIFE Initiative

FHI/K will enter into an agreement with Catholic Relief Services to co-operate in distribution of foodstuffs to children affected by HIV/AIDS. A proposal is being developed to access LIFE initiative food.

HEALTH COMPONENT - INDICATOR PERFORMANCE TRACKING TABLE (revised for FY2002 and FY2003)

Health and Nutrition Indicators	Base-line	FY1999 Target	FY99 Ach'd	1999 % Ach'd v Target	FY00 Target	FY00 Ach'd	2000 % Ach'd v Target	FY01 Target	FY01 Ach'd	2001 % Ach'd v Target	FY02 Target	FY02 Ach'd	2002 % Ach'd v Target	FY 2003*	LOA Target
Final Impact Indicators:	(Est)														
1a. % of children 2-5 yrs with ht-for-age Z score < -2.0	40%							36%						32%	Decrease by 20%
1b. % of children 24-35 m with ht-for-age Z-score<-2.0	45%							38%						32%	
1c. Average ht-for-age Z-score	-1.5							-1.35						-1.2	
2a. % of child. 12-36 m. with wt-for-age Z-score <-2.0	(est) 29%							26%						23%	Decrease by 20%
3a. % of child. 24-60 m. with wt-for-ht Z-score < -1.0	(est.)														
3b. % of child. 24-60 m. with wt-for-ht Z-score < -2.0	31%							28%						25%	Decrease all by 20%
3c. % of child. 24-36 m. with wt-for-ht Z-score < -2.0	6.6%							5.9%						5.3%	
	35%							32%						28%	
Effect Indicators:															
1a. Proportion of infants less than 6 mo. of age being given only breastmilk	12%							16%						24%	
1b. Proportion of infants less than 4 mo. of age being given only breastmilk	16%							24%						32%	Increase by 100%
* 2. Proportion of children 6-23 mo. Who are fed 5 or more meals or snacks per day (including breastfeeds)	19%							35%						35%	Increase to 35%
* 3. Proportion of children between 20 and 23 mo. who are still breastfeeding	75%							80%						85%	Increase to 85%
* 4. Proportion of children 0-23 m. who are weighed at least 4 times per year	16%							40%						60%	Increase to 60%
5. Proportion of CHW's who are trained in growth monitoring & promotion	<5%							90%						90%	90% trained
6. Average length of service of all CHW's hired during first two years	NA							NA						2.5 yr	Average of 2.5 years
Impact Indicator:															
*1. Proportion of children 0-23 mo. Who have had diarrhea in past 2 weeks	12%							<15%						<15%	Maintain already low level
Effect Indicators:															
2a. % of children 0-23 m. with diarrhea in past 2 weeks given the same amt. or more breastmilk	75%							82%						90%	Increase by 20%
* 2b. % of children 0-23 m. with diarrhea in past 2 wks given the same amt. or more solid/semi-solid food	52%							62%						75%	Increase by 50%
3. Proportion of children 0-23 m. with diarrhea in past 2 weeks who were treated with ORT (exl. Herbs)	41%							50%						60%	Increase by 50%
* 4. Proportion of mothers who give their child more food than usual during the post-diarrheal period	49%							62%						75%	Increase by 50%
**5. Proportion of people who use condoms to prevent HIV transmission	5% (est)													20%	
**6. Proportion of people who say they always use condoms during intercourse	2% (est)													10%	
Output Indicators:															
* 1.1 Proportion of mothers of children 0-23 m. who can correctly state how to prepare ORS from packets	38%							50%						60%	Increase by 50%
1a. Proportion of children 24 to 59 m. who have received at least 1 dose of mebendazole in the past year	(est) 5%							50%						85%	Increase to 85%
1b. Proportion of children 5-9 years who have received at least one dose of mebendazole within the past year	(est) 5%							50%						75%	Increase to 75%
* 2. Proportion of children 6 m. to 2 yrs. who have received vitamin A in the past 6 months	<5%							25%						50%	Increase to 50%
**3a. Proportion of people who can mention at least two ways HIV is transmitted and two risk factors for spread	35% (est)													80%	
**3b. Proportion of people who can mention at least two ways in which HIV is prevented.	25% (est)													80%	

Note: FY 1998 is not shown due to the delay in monetization, and FY 2003 is included due to FHI/K's intent to ask for a no-cost 1-year extension on the project..

*Indicates revised baseline / target levels due to baseline survey results different from original estimated level in DAP

**Additions for FY2002 and "no cost" extension for FY20

LOA Summary Request Table

	(MT) Monetization	($ equiv) Monetization Budget Approved	($ equiv) Monetiza-tion Funds Expended	($) Section 202e Approved	($) Section 202e Expended
Total Approved for Program (LOA per TA*)	20,940	3,852,957	3,852,957	537,247	524,647
FY 1998 Approved	912	631,105	8,274	88,000	0
FY 1999 Approved	2,680	694,215	543,821	96,800	5,777
FY 2000 Approved	2,030	763,637	618,793	106,480	26,037
Total Approval to Date	5,622	2,088,957	1,170,888	291,280	31,814
Balance for Current and subsequent Years	15,318	1,764,000	2,682,069	245,967	461,019
FY 2001 Request (line 17)	4,440	840,000	834,425	117,128	36,048
FY 2002 Estimated (line 8)	4,770	924,000	924,000	128,840	121,819
FY 2003 Estimated (line 8)	N/A	0	918,460	0	132,769
Total FY Requested & Out-Years					
Total LOA (All Years) (Should agree to line 1)	20,940	3,852,952	3,852,957	537,247	524,647

B. Activity Resource Requirements

1. Financial Plan

a. **Comprehensive Budget (Appendix B attached)**

Monetization
The combined resource request for FY2002 is 101% of the original DAP. The following factors have contributed to the small increase:

- **Personnel** – In a FY2000 review of remuneration of employees among seven NGOs, Food for the Hungry Kenya was the poorest paying; salaries have been adjusted to be more competitive, resulting in a large increase in personnel costs. Furthermore, the original DAP identified only 43 positions, but with the need for property guards, there is now 45 full-time positions. We propose adding one more in FY2002, the Specialist Trainer for HIV/AIDS. Funds for the Livestock positions will be availed by not re-staffing the Demonstration Farm Supervisor and re-allocating duties for some Extension Officers.

- **Occupancy** – This was to have been provided by FHI/K, but in 1998, when it was found that the facilities were inadequate, an office was rented. (This is the third year for this issue.)

- **Office supplies** – The DAP had unrealistically low costs, considering the size of the program. There was provision for neither computer maintenance nor supplies nor e-mail and Internet use. Many training materials have been prepared in-house, which also has contributed to higher cost of office supplies.

FHI/K contributions are less than what was originally identified on the DAP - ineligible expenses were mistakenly counted, but this has already been addressed by FHI Headquarters and FFP Washington. In this Amendment, actual FHI contributions increase over previous years with the integration of its programs. Specifically, the contribution of the child-sponsorship program (CDP) in Marsabit is counted as one-quarter of that program's budget. Approximately one-half of field staff time is devoted to home visitation of families of sponsored children. A major purpose of these visits is to ensure good physical care of children, which directly corresponds to the objectives of the Marsabit Food Security Program. CDP staff will be trained and then become responsible for promotion of improved food production, sound food habits, good hygiene and sanitation, and resource conservation.

b. FY 2002 Section 202(e) Request and narrative (Appendix B attached)

In order to facilitate the major shift in focus and expertise required, consultants will be hired for implementation of the changed activities.

- Consultants in livestock marketing will be engaged to help develop a comprehensive strategy.

- Scientists from various scientific institutions will be contracted to assist with GIS-mapping of resources, advising on watershed planning, and establishing carrying capacities of the natural resources.

- Other consultants will research and assist staff in understanding the relationship of health and sanitation behavior to wealth and income among the various ethnic groups. This will enable the program to be more strategic.

- Training funds will be used for on-going capacity building of MFSP staff and staff of partner agencies, especially in relationship to the new initiatives.

Assuming approval of the amended activities, the LOA (FY1998-02 plus an additional no-cost extension for FY2003 is within the total budget of the Approved DAP (1997-2002).

C. Monetization (Foreign Currency) Pipeline Analysis

	Kenya Shillings currency	exchange rate	US dollar Equivalent
1. Opening balance at 10/1/99 of funds From prior year(s) monetization, Including interest	27,768,321	77.07	360,300
2. Total actual funds Received from monetization during FY 2000 APPROVED COMMODITIES)	20,554,683	75.01	274,010
(a) FY 00 Approved Commodity CDSO	2030MT		
(b) FY 01 Approved Commodities HRW Wheat	4440 MT		
3. Interest earned during FY 2000	807,600.00	75.82	10,651
4. Total actual expenditure of Monetization funds during FY 2000	46,692,292	75.46	618,793
5. Actual closing balance of Monetization funds at 9/30/2000	2,438,312	93.18	26,168
6. Amount of reserve/bridge funding Needed to support program operations Until FY2001 monetization sales (s)	28,884,000	75.00	385,120

Note: *State cut-off date between actual and anticipated/estimated receipts and expenditures*

Monetization LOA Analysis Table

	FY 98	FY 99	FY2000	FY 2001	FY 2002	FY 2003
Pre. Approv Monetiz	567,182	694,215	763,637	840,000	924,000	0
Actual Monetiz. Proceeds	0	722,437	460,770	N/A	N/A	N/A
Actual Monetiz. Expend	8,274	543,821	618,793	N/A	N/A	N/A
Current Monetiz. Request	N/A	N/A	N/A	834,425	924,000	N/A

Section 202 (e) LOA Analysis Table

	FY 98	FY 99	FY2000	FY 2001	FY 2002	FY 2003
Pre. Approv Monetiz	88,000	96,800	106,480	117,128	128,840	0
Actual Monetiz Proceeds	0	5,935	23,729	N/A	N/A	N/A
Actual Monetiz Expend	0	5,777	23,886	N/A	N/A	N/A
Current Monet Request	N/A	N/A	N/A	36,048	121,819	N/A

D . Section 202(e) US Dollar Pipeline Analysis

Note: section not applicable.

E. Monetization Proceeds

The Kenyan cooperating sponsors (CS) monetize under a consortium to pool monetization costs and enhance efficiency of the process. During FY02 the plan is to monetize Hard Red Winter (HRW) Wheat and Crude Degummed Soybean Oil (CDSO). Here below are the commodities to be monetized by each CS.

	CRS	ADRA	FHI	TNS	CARE	WV	Total
FY02 $ Budget	$2,670,820	$970,304	$929,184	$827,834	$1,438,367	$2,184,992	$9,021,501
HRW Wheat (MT)	8,430	3,060	4,740	2,610	4,540	6,900	30,280
CDSO (MT)	4,160	1,510		1,290	2,240	3,410	12,610
Total (MT)	12,590	4,570	4,740	3,900	6,780	10,310	42,890

The costs of monetization are as follows:		
	Ksh.	US Dollars
Advertising	275,000	$ 3,525.64
Personnel	2,661,120	$ 34,116.92
Consultancy	429,000	$ 5,500.00
Marketing/Travel/ etc	550,000	$ 7,051.28
Total	3,915,120	$ 50,193.85

The anticipated revenue is as follows			
Commodity	Prices $	MT	Amount ($)
HRW Wheat	195	30,280	5,910,450
CDSO (MT)	320.76	12,610	4,044,784
Total (MT)		42,890	9,955,234

Based on CS determined prices

Anticipated Cost Recovery Benchmark for FY02

The CS' anticipate that the FAS prices for CDSO and HRW Wheat will be US$320.76 per ton and US$140 per ton respectively. (Source: Jan 5, 01 postings on Chicago Board of Trade [CBOT] and US Wheat Associates web sites). CS estimate foreign flag freight rate at US$59.00 per ton (Quoted by DF Young). The resultant bench prices would therefore be $379.76 per ton and $199 per ton respectively.

Total Kenya Title II program's budget is US$ 9,023,283. The above-tabulated commodities will raise 81% of the budget while the rest will be provided by the government's contribution in kind equivalent to taxes (duty and VAT) payable by the buyer in respect of monetization commodities. CDSO attracts duty at the rate of 5% and VAT of 18% while Wheat attracts 35% in duty (weighted average of 28%).

The above commodity tonnages deviate from those presented in the DAPs. This is attributable to use of CS estimates of commodity values. During DAP preparation CS were compelled to use prices that were not achievable in the local or international markets. Price estimates used to arrive at the above tonnage take into consideration 1. Government's contribution in kind. 2. Benchmark recovery requirement to achieve 80% of cost and freight or 100% FAS.

The Kenya program proposes to monetize HRW Wheat and CDSO in FY02 to leverage the volatile market. Recent zero rating of duties on wheat flour imported from the COMESA region has made wheat imports from non-COMESA markets less attractive to Kenyan traders. Thus the Kenya program can not rely on wheat only hence, the need to monetize CDSO as well. Kenya has only two buyers with the capacity to purchase and process economic-quantities of CDSO. Thus the Kenya program can not rely on CDSO alone for its US$ 9 Million budget either.

The program plans to import the above commodities in four tranches; two for each commodity. While the CDSO can be imported into the country at any time of the year without causing any Bellmon related disincentives, the wheat will need to arrive in-country between January and March 2002 to coincide with the peak shortage period. Both commodities will be sold ex-ships tackle or tank and the buyer(s) will pay all duties and taxes due to the government.

2. Commodities

a. Annual Estimate of Requirements (AER) – See Appendix C

b. Commodity Procurement Schedule

Call Forward Tonnage (MT)

		December 2001	Month 2 (Later CFs)
AER Category	Commodity		
1. Monetization	CDSO		
2. Monetization	HRW Wheat	1,910	2,830

c. Anticipated Monetization Cost Recovery Calculation and Estimate

Anticipated Cost Recovery Benchmark

	Call fwd 1 (Dec,8 ,00)
1. Tonnage called forward for monetization (MT)	1,910
2. CS estimated FAS cost (total $/ MT)	$ 130.07
3. Freight estimate (foreign flag)* ($)	$ 59.00
4. C&F total cost est. using foreign flag ($)	$ 189.07
5. 80% of C&F cost estimate above ($/MT) (80% of Line 4)	$ 151.26
6. Estimated benchmark price ($/MT) (Line 2 or 5, which ever is greater)	$ 151.26
7. Anticipated sales price ($/MT)	$ 181.25

C. Environmental Compliance

"No change" An IEE Amendment was submitted in November 2000 to resolve the deferred activities associated with agro-chemicals.

APPENDICES

A. Expenditure Report

Expenditure Report for FY98 to FY 2000 (US$)

US $1 = _____ local currency using exchange rate of _____(date)

Funding Sources

Consolidated Line Items	Monetiz'n Proceeds	Monetiz'n Proceeds	Section 202e Grant	Section 202e Grant	Recipient Contrib'n	Recipient Contribut'n	FHI Non-Cash	FHI Non-Cash	FHI Funds Cash	FHI Funds Cash	Local GoK	Local GoK	TOTAL	TOTAL
	Approved	Actual	Approved	Actual	Approved	Actual	Approved		Approved	Actual	Approved	Actual	Approved	Actual
FY 00 Opening Balance	**19,564**			**-**										-
FY1998- 2000 Income-new funds	2,088,958	1,183,206	291,280	29,664					315,000	73,429	110,000	127,650	2,805,238	1,413,950
FY 1998-2000 income-interest	20,890	14,035											20,890	14,035
Non Cash Contributions					22,050		22,050	-					44,100	-
Total FY1998- 2000 Income	**2,109,848**	**1,197,241**	**291,280**	**29,664**	**22,050**	**-**	**22,050**	**-**	**315,000**	**73,429**	**110,000**	**127,650**	**2,870,228**	**1,427,985**
Funds Avail. In FY 2000	**2,129,412**	**1,197,241**	**291,280**	**29,664**	**22,050**	**-**	**22,050**	**-**	**315,000**	**73,429**	**110,000**	**127,650**	**2,870,228**	**1,427,985**
Expenses														
Personnel	675,518	393,590							47,250	9,341	18,649	49,103	741,417	452,034
Evaluation/Monitoring/Evaluation	310,230	135,727	30,684	23,269					62,000	128	29,831	78,547	432,745	237,671
Travel and Related Expenses	173,907	114,739							22,050	1,079			195,957	115,818
Occupancy	-	8,491							3,150	6,384			3,150	14,874
Office Operation	12,869	36,311							3,150	7,710			16,019	44,022
Equipment/Supply/Materials	231,875	154,367	187,677	-					40,950	22,351	61,520		522,022	176,718
Commodities & Related Expenses	-	-											-	-
Non-Cash Expenses					22,050		22,050	-					44,100	-
Allocated Indirect Cost	472,976	230,631	43,672	6,394					109,200	15,120			625,848	252,145
Sub Totals	**1,877,375**	**1,073,855**	**262,033**	**29,663**	**22,050**	**-**	**22,050**	**-**	**287,750**	**62,113**	**110,000**	**127,650**	**2,581,258**	**1,293,282**
NICRA 9.005%	211,582	97,032	29,247	-					25,819				266,648	97,032
Inflation 5 %	-												-	-
FY 2000 Total Expenses	**2,088,957**	**1,170,887**	**291,280**	**29,663**	**22,050**	**-**	**22,050**	**-**	**313,569**	**62,113**	**110,000**	**127,650**	**2,847,906**	**1,390,314**
FY 2000 Closing Balance	**40,455**	**26,353**	**-**	**1**	**-**	**-**	**-**	**-**	**1,431**	**11,316**	**-**	**-**	**22,322**	**37,671**

Notes: Consolidated line items above are EXAMPLES, not required categories - line items should match those presented in your original DAP
Columns not utilized should be deleted from your table.

Appendix A - continues

Expenditure Report for FY 2000 (US$)

US $1 = _____ local currency using exchange rate of _____(date)

Funding Sources

Consolidated Line Items	Monetiz'n Proceeds Approved	Monetiz'n Proceeds Actual	Section 202e Grant Approved	Section 202e Grant Actual	Recipient Contrib'n Approved	Recipient Contribut'n Actual	FHI Non-Cash Approved	FHI Non-Cash Actual	FHI Funds Cash Approved	FHI Funds Cash Actual	Local GoK Approved	Local GoK Actual	TOTAL Approved	TOTAL Actual
FY 00 Opening Balance	**-**	**360,300**		**-**					**1,841**				1,841	360,300
FY 2000 Income-new funds	839,369	274,010	96,800	26,037					330,750	73,429	121,000		1,387,919	373,476
FY 2000 income-interest		10,849											-	10,849
Non Cash Contributions					22,050	-	22,050	-					44,100	-
Total FY 2000 Income	**839,369**	**284,859**	**96,800**	**26,037**	**22,050**	**-**	**22,050**	**-**	**330,750**	**73,429**	**121,000**	**-**	**1,432,019**	**384,325**
Funds Avail. In FY 2000	**839,369**	**645,159**	**96,800**	**26,037**	**22,050**	**-**	**22,050**	**-**	**332,591**	**73,429**	**121,000**	**-**	**1,433,860**	**744,625**
Expenses														
Personnel	261,446	244,703							49,613	9,341	20,514		331,573	254,044
Evaluation/Monitoring/Evaluation	94,964	49,071	10,197	18,707					65,100	128	32,814		203,075	67,906
Travel and Related Expenses	56,240	63,080							23,153	1,079			79,393	64,159
Occupancy	9,384	7,912							3,308	6,384			12,692	14,296
Office Operation	15,586	24,641							3,308	7,710			18,894	32,351
Equipment/Supply/Materials	121,860	54,795	62,370	-					42,998	22,351	67,672		294,900	77,146
Commodities & Related Expenses	-	-											-	-
Non-Cash Expenses					22,050		22,050						44,100	-
Allocated Indirect Cost	188,861	123,476	14,513	5,179					114,660	15,120			318,034	143,775
Sub Totals	**748,341**	**567,678**	**87,080**	**23,886**	**22,050**	**-**	**22,050**	**-**	**302,140**	**62,113**	**121,000**	**-**	**1,302,661**	**653,677**
NICRA 9.005%	63,054	51,119	9,720	2,151					27,110				99,884	53,270
Inflation 5 %	27,974												27,974	-
FY 2000 Total Expenses	**839,369**	**618,797**	**96,800**	**26,037**	**22,050**	**-**	**22,050**	**-**	**329,250**	**62,113**	**121,000**	**-**	**1,430,519**	**706,948**
FY 2000 Closing Balance	**-**	**26,362**	**-**	**-**	**-**	**-**	**-**	**-**	**3,341**	**11,316**	**-**	**-**	**3,341**	**37,678**

page 1

APPENDIX B

Funding Sources

US $1 = _____ local currency using exchange rate of _____(date)

Consolidated Line Items	Monetiz'n Funds	Monetiz'n Funds	Section 202e Grant	Section 202e Grant	Recipient Contrib'n	Recipient Contrib'n	PVO Contrib'n	PVO Contrib'n	PVO Non-Cash	PVO Non- Cash	Local Gov't	Local Gov't	**Total**	**Total**
	Prev. Appr'd	Request	Prev. Appr'd	Request	Prev. Appr'd	Request	Prev. Appr'd	Request	Prev. Appr'd	Request	Prev. Appr'd	Request	Prev. Appr'd	Request
	FY 2002	*FY 2002*	*FY 2002*	*FY 2002*	*FY 2002*	*FY 2002*	*FY 2002*	*FY 2002*	*FY 2002*	*FY 2002*	*FY 2002*	*FY 2002*	*FY 2002*	*FY 2002*
FY 2002 Opening Balance	**29,290**	**-**	**6,000**	**-**	**-**		**4,921**		**-**		**-**		**40,210**	-
FY 2002 Income - new funds	924,000	924,000	128,840	121,819	24,310		364,652	38,715	24,310		146,410	160,000	1,612,523	1,045,819
FY 2002 income – interest	9,240	-	-	-	-		-						9,240	154,861
Total FY 2002 Income	**933,240**	**924,000**	**128,840**	**121,819**	**24,310**	**-**	**364,652**	**38,715**	**24,310**	**-**	**146,410**	**160,000-**	**1,621,763**	**1,200,680**
Funds Available in FY A	**962,530**	**924,000**	**134,840**	**121,819**	**24,310**	**-**	**369,573**	**38,715**	**24,310**	**-**	**146,410**	**160,000**	**1,661,973**	**1,200,680**
Expenses														
Personnel	298,799	398,146		-			54,698	30,972			24,822		378,320	522,035
Evaluation/Training/Consult	137,223	103,413	76,652	89,000			71,773				39,705	160,000	325,353	192,413
Occupancy	-	7,200		-			3,647						3,647	7,200
Travel	76,924	65,000		-			25,526						102,449	65,000
Office Operations	5,692	15,260		-			3,647						9,339	15,260
Non Cash expenses	-	-		-	24,310				24,310				48,620	-
Equipment > $ 5,000	-	-	6,134	-									6,134	-
Equipment/Supplies	102,565	86,050	7,200	-			47,405				81,883		239,052	86,050
Subtotals	621,203	675,069	89,986	89,000	24,310	-	206,696	30,972	24,310	-	146,410	-	1,112,914	887,958
Allocated Indirect Exp.	209,210	168,767	19,317	22,250		-	126,413	7,743		-	-	-	354,940	221,990
sub-total	**830,413**	**843,836**	**109,303**	**111,250**	**24,310**	**-**	**333,109**	**38,715**	**24,310**	**-**	**-**	**-**	**1,467,854**	**1,109,948**
NICRA	93,588	80,164	12,936	10,569	-	-	29,889	-		-	-	-	136,413	90,733
FY 2002 Total Expenses	**924,001**	**924,001**	**122,239**	**121,819**	**24,310**	**-**	**362,998**	**38,715**	**24,310**	**-**	**-**	**-**	**1,604,267**	**1,200,681**
FY 2002 Closing Balance	**38,529**	**(1)**	**12,601**	**0**	**-**	**-**	**6,575**	**(0)**	**-**	**-**	**146,410**	**-**	**57,706**	**(1)**

C. Annual Estimate of Requirements (Commodities)

(Hard copy to be attached)

D. Certification Regarding Lobbying

(Copy to be attached)